

The Early Years Strategy

Goodstart Submission

April 2023

We're for children, not profit.



OVERVIEW

Goodstart strongly supports the Australian Government's election commitments to a universal ECEC system, including the development of an Early Years Strategy. We also support comments made by the Prime Minister, Treasurer and Ministers that recognise the value of the first five years and the workforce dedicated to young children and families.

We also commend the Government for undertaking comprehensive inquiries into National Disability Insurance Scheme and the early childhood education and care (ECEC) sector, particularly by the Australian Competition and Consumer Commission (ACCC) and the Productivity Commission Review. Considered alongside the National Preschool Reform Agreement and increased investment in the Child Care Subsidy from July this year – the future is bright for Australia's children.

The National Early Years Summit held in February 2022 highlighted that strong foundations in the early years will shape the lives of children, families and the future prosperity of Australia. It was pleasing to hear Ministers acknowledge the village it takes to raise children that thrive in the early years and beyond, and the need to break down policy and funding silos across Commonwealth agencies and levels of government. We acknowledge there are areas for improvement where the Commonwealth can act alone, and we support this initial focus. There are several areas of sole Commonwealth responsibility that could be improved to make a dramatic positive difference in the lives of children across the nation.

Ultimately, it's desirable for the strategy to extend beyond the Commonwealth noting that all three tiers of Government play important roles in the early years. We support moving towards a systems stewardship approach, where all three levels and the sector work together to deliver a truly national vision and strategy that will deliver on our shared aspirations for all children. National Cabinet, and the draft National Vision for ECEC offers us a pathway to achieve this collaboration across the Early Years.

The Early Years Strategy is also an opportunity to create a child-centred system that provides access to high quality services to all children and ensures every child's needs are met in the years before school, regardless of where they live or who their parents are. The final Strategy should articulate the collective commitment we make to all of Australia's children and how we will hold ourselves accountable for delivering on that commitment. It should include child level entitlements, which are enshrined in law and not dependent on the work, income or Visa status of the adults in their lives. The strategy should also recognize the importance of place and the importance of strong communities, and crucially, the dedicated workforce that supports children and families in the first five years.

As Australia's largest provider of early childhood education and care services, our submission speaks specifically to ECEC, noting the power and potential it has to form the universal backbone of the early years development system in Australia. It identifies actions that the Commonwealth can take to make a difference for children and families in the short-term while ultimately using the strategy to build the bridge to a world-class early childhood system for all of Australia's children.

ABOUT GOODSTART

Goodstart Early Learning (Goodstart) is Australia's largest not-for-profit social enterprise and Australia's largest provider of early childhood education and care, with 661 centres located across every state and territory, supporting more than 63,600 children from 53,700 families. We employ more than 15,000 people across the country and we are also a highly feminised workforce. Our workforce includes qualified educators (Certificate III and Diploma), bachelor qualified teachers and inclusion professionals, including speech pathologists, occupational therapists and child and family practitioners.

Our purpose is to ensure all Australia's children have the learning, development and wellbeing outcomes they need for school and life. All children should be supported to participate in quality early learning and care, regardless of where they live in Australia, their family circumstances, their inclusion support needs, or their early learning setting. Our unique purpose means we work in partnership with the sector, Governments and the community to improve outcomes for all children – not just the children who attend a Goodstart service.

Last year, our targeted social purpose investments of \$47 million delivered a social dividend valued at \$336 million.¹ Our social dividend is calculated using a social return on investment methodology and represents the unique social and economic value delivered for children, families, Government and the broader community. In a typical commercial operation, the \$47 million would likely have been paid as profits to shareholders or business owners but we invest in activities like inclusion for children with additional needs, operating in rural and regional and low SEIFA areas, Reconciliation and evidence-based professional development to deliver on our purpose as a social enterprise.

SUMMARY RECOMMENDATIONS

1. While we support the initial focus on areas of Australian Government responsibility, ultimately the strategy should encompass all levels of Government and signal priority areas for intergovernmental work in its initial stages. The draft National Vision for ECEC being developed by National Cabinet can provide a good foundation and pathway to deliver a nationally consistent vision and minimum entitlement for children and families, regardless of where they live.
2. A National strategy should establish Early Childhood Education and Care as a universal 'backbone' service, with opportunities for access by all young children that can also directly deliver child development services, hosts visiting professionals and connect children and families to other health and child development services.
3. A National Early Years Strategy is an opportunity to establish a minimum child-level entitlement to three days free or low-cost, high quality early childhood education and care for all Australian children, with up to five days for children who would benefit from more.

¹ Goodstart Annual Reports, see <https://www.goodstart.org.au/media-centre/annual-reports>

A three-day entitlement can be implemented immediately by providing all children a minimum activity test result of 72 hours per fortnight while longer term reform and financing options are developed by the Productivity Commission.

4. A National Early Years Strategy should prioritise the end of poverty for all children in Australia through increases to Parenting Payment and JobSeeker for partnered parents in jobless families, and implementing the recommendations made by the interim Economic Inclusion Advisory Committee.
5. The Strategy must give special consideration to children at risk of harm and neglect, as the most vulnerable group of children in Australia. Immediate action should be taken to increase the Additional Child Care Subsidy – Child Wellbeing Certificate length to at least 13 weeks and grant all children in out-of-home care (foster care) 12-month determinations (even if reunified with family) while longer term reform and financing options to support children at risk are considered by the Productivity Commission.
6. The Strategy should seek to break down silos between the Australian Government's disability and early years portfolios and this will require innovation. In the short term, investment should be targeted towards the development of new models that embed support at places like Goodstart, where children spend their time, and builds capacity across the entire ECEC sector. Longer term the Productivity Commission and NDIS Reviews should consider financing options to provide appropriate support and early intervention for children with disability.
7. While moving towards a more integrated system of support for children with disability and additional needs in ECEC over the longer term, the ISP subsidy rate should be immediately increased to \$35.00 an hour to match the actual cost of an educator (indexed annually consistent with increases in the award rate), and the allocation should be increased to match the hours a child attends early learning and care.
8. The Strategy must be supported by well-defined governance arrangements that clearly attribute accountability for achieving outcomes to the relevant federal Minister.
9. The Strategy should provide a framework to make the necessary legislative and system changes to facilitate data linkage with not-for-profit providers in ECEC, and other services. In this way, new and robust evidence generated by collaborative research across linked government and non-for-profit data collections is both feasible and timely.
10. The Strategy must be supported by a fully funded ECEC workforce strategy, including closing the pay gap with the school sector, expanding the pipeline of new teachers and educators, and improving professional recognition and support for educators and teachers.

IF YOU WOULD LIKE TO DISCUSS ANY PART OF THIS SUBMISSION PLEASE CONTACT:

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AN AUSTRALIAN GOVERNMENT EARLY YEARS STRATEGY

1. Comments on the proposed structure and vision for the Strategy

While there are immediate steps the Australian Government can take, ultimately, all three levels of government must be party to a National Early Years Strategy. The vision for early childhood education and care being developed by National Cabinet could be leveraged for this purpose.

Goodstart welcomes the Australian Government's focus on breaking down silos and the acknowledgement that there is significant room for improvement in how children and families are supported across Australian Government portfolios. We commend the Australian Government for taking action in areas where it holds sole responsibility. However, a vision that was limited to only improving areas of Australian Government responsibility would be a missed opportunity to harness the once-in-a-generation focus on early childhood by State and Territory Governments across Australia.²

Australia's children and families, and the service systems that support them need strategic national leadership and coordination to ensure that reforms underway deliver the best outcomes for children and families, no matter where they live.

The last National Early Childhood Development Strategy, developed by the Council of Australian Governments in 2009 at a similar time of structural, sector-wide reform provided a clear framework for coordinated and measurable action by all jurisdictions to improve child outcomes and in turn increase social inclusion, human capital and productivity in Australia.³ This included national partnerships to implement the National Quality Framework, a fully funded National Workforce Strategy and the commitment by all states and territories to introduce 15 hours of preschool.

The national vision for ECEC currently being developed via National Cabinet should be the beginning of a truly national strategy that articulates a shared aspiration for all Australian children and drives nationally coordinated, cross-sector action towards this.

Recommendation 1 – While we support the initial focus on areas of Australian Government responsibility, ultimately the strategy should encompass all levels of Government and signal priority areas for intergovernmental work in its initial stages. The draft National Vision for ECEC being developed by National Cabinet can provide a good foundation and pathway to deliver a nationally consistent vision and minimum entitlement for children and families, regardless of where they live.

² Including, for example, including the NSW Governments [About the Early Years Commitment \(nsw.gov.au\)](https://www.nsw.gov.au/about-us/commitments-and-pledges/giving-every-victorian-child-the-best-start-in-life); [Giving Every Victorian Child The Best Start In Life | Premier of Victoria](https://www.vic.gov.au/giving-every-victorian-child-the-best-start-in-life); [Royal Commission into Early Childhood Education and Care](https://www.rcpec.org.au/), The Victorian Government [Best Start, Best Life](https://www.vic.gov.au/best-start-best-life) agenda, and the South Australian [Royal Commission into Early Childhood Education and Care](https://www.rcpec.org.au/)

³ COAG, *Investing in the Early Years – A National Early Childhood Development Strategy*, July 2009, https://www.startingblocks.gov.au/media/1104/national_ecd_strategy.pdf

2. Comments on the mix of outcomes that are important to include in the Strategy

The Strategy should include a holistic approach to outcomes that support children's learning, development and wellbeing and should build on existing frameworks.

At Goodstart, aligned with the Early Years Learning Framework, our purpose is to ensure children have the learning development and well-being outcomes they need for school and life.

We support ARACY's wellbeing framework which identifies the following six interlinked areas that, when taken together, support a child or young person's wellbeing and provide a well-grounded basis for developing outcomes domains and statements:

1. Valued loved and safe
2. Material basics
3. Healthy
4. Learning
5. Participation
6. Positive sense of identity and culture⁴

It is also important to consider the outcomes that are important to Aboriginal and Torres Strait Islander people and how these are expressed, and the outcomes that are important to children themselves (see section on principles below). And as far as possible, the final outcomes statements should also be closely aligned with the outcomes articulated in the National Vision for Early Childhood Education and Care under development.

3. Specific areas/policy priorities that should be included in the Strategy

Early Childhood Education and Care services should be seen as a universal "backbone service" for the broader early childhood development system.

Increasingly, ECEC services are being recognised as a potential universal entry point, or 'backbone service' for the early childhood development system, with a majority of children attending a CCS funded ECEC service by age 2.⁵ ECEC is used more by children and families than any other early childhood development service, and utilisation is expected to increase when the Prime Minister's commitment to a universal, affordable system reduces cost barriers for children and families.

This is positive news for all governments, because not only has the quality and regulation of quality ECEC improved since the introduction of the National Quality Agenda in 2009, ensuring that services are run by highly qualified and skilled early childhood professionals, but the South Australian Royal Commission has also found that most long day care centres are already facilitating access to a range of non-education and care services, including parenting programs and health and development services.⁶

⁴ ARACY, Exploring Australia's Wellbeing Framework for Children and Young People, <https://www.aracy.org.au/documents/item/700>

⁵ In 2021/22, 60.3% of 2-year-olds and 65.6% of 3-year-olds attending a registered ECEC service in Australia.

⁶ The sector survey completed for the Royal Commission found that in South Australia, 4 in 5 long day care centres provide access to speech pathology and occupational therapy, 1 in 3 provide access to supports for families, and 1 in 3 provide access to Foodbank.

At Goodstart we directly deliver these services at many of our centres. We employ teams of allied health professionals, facilitate and host visiting professionals and also refer families to other local child development services. To support the inclusion of all children, not-for-profit providers like Goodstart make evidence-informed investments at the child level, the service level, and the enterprise level to deliver on our social purpose, which are not funded by government. At a macro level, these investments include:

- professional development to build the capability of our team members, so they can effectively include children and families likely to be vulnerable (\$19 million in 2022),
- developing, and implementing programs that facilitate enrolment, access and participation by children and families (\$9.6 million in 2022), and
- investing to meet funding 'gaps' where government programs do not fully meet the costs of inclusion (\$5.6 million in 2022, or 12% of targeted social purpose investment).

The Royal Commission concludes that the ECEC sector is playing a significant and under-recognised role in the early years which may provide a 'backbone' for universal infrastructure for early childhood development and suggests:

One option would be to frame the role of the states as one of supporting quality, and the ability for early childhood education and care services to form the backbone of an early child development system (for example, by funding connection to health and social supports which are often state government funded). The Commonwealth's role would then be to support accessibility, with a significant focus on cost reduction for families.⁷

However, the Commission also found that the complexity of different funding arrangements between jurisdictions and across service types is a barrier to ECEC from fully realising this 'backbone' role. Mapping a pathway to reduce this complexity and expand the role of ECEC services should be a policy priority for a National Strategy.

Recommendation 2 - A National strategy should establish Early Childhood Education and Care as a universal 'backbone' service, with opportunities for access by all young children that can also directly deliver child development services, hosts visiting professionals and connect children and families to other health and child development services.

4. What the Commonwealth can do to improve outcomes for children—particularly those who are born or raised in more vulnerable and/or disadvantaged circumstances.

Children raised in vulnerable and disadvantaged circumstances face significant barriers to accessing early childhood education and care. The Australian Government should immediately abolish the Activity Test which would address many of these barriers.

In moving to a national early childhood system that puts child learning and development at its centre, it no longer makes sense for children's access to ECEC to be dependent on the workforce status and activity levels of their parents or carers.

⁷Royal Commission in Early Childhood Education and Care, April 2023, Interim Report, p109: <https://www.royalcommissionecec.sa.gov.au/documents/RCECEC-Interim-Report-Version-2-Website.pdf>.

A national early years strategy is an opportunity to flip the system to prioritise access to a minimum entitlement of 3 days of free or low-cost, high quality early childhood education and care for all children, with additional days available as required to support child development or the workforce participation of parents and caregivers.

Providing opportunities for the children who are currently excluded will also enhance the opportunities for ECEC to act as backbone service (See Recommendation 2) and improve outcomes for children experiencing vulnerability and disadvantage.⁸

It is now widely acknowledged that the CCS Activity Test which was intended to incentivise workforce participation has not had this effect. The AIFS evaluation of the CCS confirmed that the introduction of the Activity Test has disproportionately affected low-income families.⁹ And more recent work by Impact Economics and Policy has found the Activity Test is contributing to 126,000 children in low-income families missing out on ECEC and costing the economy \$4.5 billion per year:

The Activity Test limits access to early childhood education and care to those that have the most to gain, children from low-income families, and is acting as a significant barrier to workforce participation of mothers. Abolishing the Activity Test and providing up to three days universal access to early childhood education and care would benefit children, their parents and the economy.¹⁰

Further demonstrating the convergence of views, we note the interim Economic Inclusion Advisory Committee has now also recommended that the Government abolish the activity test and commit to guaranteeing all Australian children access to three days of early childhood education and care (Recommendation 31).¹¹

Currently in Australia children only receive an entitlement to early education for 15 hours a week in the year before school, but by this age inequalities are entrenched.¹² The relatively stubborn rates of developmental vulnerability across Australia and over-representation of some cohorts (e.g., low SES, First Nations) among the developmentally vulnerable suggests this current entitlement is not enough for many children.

Multiple studies show that children who are disadvantaged benefit from higher dosage, both in days per week and overall months attended, yet these are the very children that are least likely to attend.¹³ For these children, higher intensity programs (i.e., more than 15hrs and more than 2 years) are likely to be beneficial.

⁸Jackson, A., McKenzie, M. Grey, E. (2023) Child Care Subsidy Activity Test: Incentive or Barrier to Labour Force Participation, Impact Economics and Policy, https://static1.squarespace.com/static/61e32e62c8c8337e6fd7a1e6/t/6404ef877d49164322d52aa1/1678045067038/IEP_Activity+Test+V5%5B13%5D.pdf

⁹ Bray, J. R., Baxter, et. al. (2021). Child Care Package Evaluation: Final Report. (Research Report). Melbourne: Australian Institute of Family Studies, https://aifs.gov.au/sites/default/files/2022-12/2021_child_care_package_evaluation_final_report.pdf

¹⁰Jackson et. al.

¹¹ Interim Economic Inclusion Advisory Committee, 2023-24 Report to the Australian Government, <https://ministers.treasury.gov.au/sites/ministers.treasury.gov.au/files/2023-04/eiac-report.pdf>

¹² Centre for Policy Development, 2021. Starting Better: A guarantee for young children and families, <https://cpd.org.au/2021/11/starting-better-centre-for-policy-development/>

¹³ Evidence for Learning (n.d.) *Extra hours*; Molloy et al. (2019) *Restacking the Odds: Early Childhood Education and Care*; Wong et al (2012) *Collaborative Practice*

There is also substantial international evidence on the benefits of providing an ECEC entitlement to all children. For example, OECD comparisons have found a relationship between attending pre-primary education and better student reading at age 15. This effect is strongest in countries that offer pre-primary education to a larger proportion of the population, offer it over a longer period (i.e., a higher dose) and invest more per child at the pre-primary level.¹⁴

In Sweden, the Andersson study of children from low and middle-resource areas of two large cities showed that the earlier a child entered ECEC, the stronger the positive effect on academic achievement at age 13. For children entering ECEC age 2 or under, the academic benefit was 10-20% better compared to children who stayed at home.¹⁵

At Goodstart we have made significant investments in addressing cost and non-cost barriers to ensure vulnerable children attend enough to make a difference. We know that the more days a child attends, the less likely the child (and the family) are to drop out of early learning. Vulnerable children that have an entitlement of at least three days of early learning tend to participate and stay in early learning at a rate comparable to their more advantaged peers, whereas children with an entitlement of less than three days are around 29% more likely to drop out of early learning.¹⁶ A three-day attendance pattern also provides more opportunities for children to achieve a minimum dose across the full year and providers more opportunities to promote continuity of learning.

Consistent with our feedback on the Draft National Vision for the Early Years, Goodstart therefore supports a commitment to provide all children with access to at least 3 full days of high-quality, inclusive ECEC per week to support their early learning and development.¹⁷ Children that would benefit from more, or families who need more should have access to up to five days per week.¹⁸

In moving towards a national minimum entitlement for all children from birth, we also note the opportunity to re-imagine the current, complex preschool funding and policy settings across jurisdictions. By 2032, a majority of children will benefit from 5 days or 30-hour programs in the year before school (owing to Victoria and New South Wales's commitments), and a majority will also benefit from two-year preschool programs while children in some states will continue to only receive 15 hours a week in the year before school. This is another area begging for national leadership, and a minimum entitlement to 3 days per week in the two years before school, with up to 5 days for children that would benefit from more would go a considerable way in addressing the achievement gaps that are now likely to grow between states offering higher doses of universal preschool.

¹⁴ OECD (2011) PISA in Focus 1: Does participation in pre-primary education translate into better learning outcomes at school? OECD, Paris. <http://www.oecd.org/pisa/pisaproducts/pisa2009/47034256.pdf>

¹⁵ Anderson B-E (1992) Effects of day care on the cognitive and socio-emotional competence of thirteen-year-old Swedish school children, in *Child Development* Vol 63, pp 20-36

¹⁶ Internal evidence – we would be pleased to share this on request.

¹⁷ Three full days refers here to session lengths of at least 10 hours per day which support family workforce participation and are generally more affordable for families under the current CCS settings.

¹⁸ The Centre for Policy Development has also outlined the detailed case and evidence for a minimum entitlement of at least three days of early learning for all children, and potentially more for the most disadvantaged in *Starting Better: A guarantee for young children and families*.

Recommendation 3 – A National Early Years Strategy is an opportunity to establish a minimum child-level entitlement to three days free or low-cost, high quality early childhood education and care for all Australian children, with up to five days for children who would benefit from more.

A three-day entitlement can be implemented immediately by providing all children a minimum activity test result of 72 hours per fortnight while longer term reform and financing options are developed by the Productivity Commission due to report in June 2024.

Increasing parenting payment, jobseeker payment and youth allowance would immediately reduce the number of children living in policy-induced poverty. Universal access to ECEC would provide a strong foundation for children's learning and development and remove barriers to parents of young children entering the workforce. However, access to ECEC it is not adequate to ensure positive life outcomes for children living in families with entrenched disadvantage.

The devastating impacts of child poverty on development, physical health and wellbeing over the life course are well established.¹⁹ Yet, right now in Australia, a highly developed and wealthy country - our social safety net has declined to a point where we are consciously condemning too many children to live in poverty.

The last comprehensive review of the welfare system (Reference Group on Welfare Reform 2015) found it was out of step with both contemporary labour market realities and community expectations and replete with incoherencies. The review recommended wholesale reform and yet that was eight years ago, or the entire period classified as 'early childhood' for millions of children impacted by the inertia of successive governments.²⁰

In their *Poverty in Australia 2023* report, ACOSS and University of NSW found the majority of people living on jobseeker (60%) and parenting payment (72%) are now living in poverty, as well as 34% of people on youth allowance.²¹ A further 87,279 single mothers are also hidden in the jobseeker statistics because they are forced onto Jobseeker when their youngest child turns 8 and their single-parenting payment drops from \$961.30 to \$784.50 a fortnight.²²

¹⁹ Monks, H. et. al. *The Impact of Poverty on the Developing child: A Narrative Review*, Life Course Centre, Working Paper, 2022. Accessed online: <https://lifecoursecentre.org.au/wp-content/uploads/2022/02/Life-Course-Centre-Working-Paper-2022-06-Monks-et-al..pdf>

²⁰ Thornton, D. et. al. *Safety net to poverty trap? The twentieth-century origins of Australia's uneven social security system*, Brotherhood of St Laurence, 2022, accessed online: [https://library.bsl.org.au/bsljspsui/bitstream/1/12232/1/Thornton etal Safety net to poverty trap 2020.pdf](https://library.bsl.org.au/bsljspsui/bitstream/1/12232/1/Thornton%20etal%20Safety%20net%20to%20poverty%20trap%202020.pdf)

²¹ Davidson, P; Bradbury, B; and Wong, M (2023), *Poverty in Australia 2023: Who is affected Poverty and Inequality Partnership Report no. 20*. Australian Council of Social Service and UNSW Sydney, https://povertyandinequality.acoss.org.au/wp-content/uploads/2023/03/Poverty-in-Australia-2023_Who-is-affected.pdf

²² Summers, A. We must stop wilfully condemning single mothers to a life of poverty, Sydney Morning Herald, 8 March 2023, <https://www.smh.com.au/politics/federal/we-must-stop-wilfully-condemning-single-mothers-to-a-life-of-poverty-20230307-p5cq2k.html>

The result is 761,000 children living in poverty nationally.²³

Goodstart backs the recommendations of anti-poverty advocates and the recommendations made by the interim Economic Inclusion Advisory Committee.

We note alignment from a growing number of distinguished experts in calling for the following actions that could be taken now to reduce child poverty:

- Increasing JobSeeker and related payments so everyone can afford the basics including rent, food, medication and education
- Building more social housing and increase Rent Assistance so everyone has a safe place to call home
- Reviewing family payments and child support to ensure they do their job of reducing child poverty and restore single parenting payment eligibility until the youngest child turns 16 not 8. Ensuring income support and housing feature in the forthcoming final National Plan to End Violence against Women and Children 2022–32²⁴

Recommendation 4 - A National Early Years Strategy should prioritise the end of poverty for all children in Australia through increases to Parenting Payment and JobSeeker for partnered parents in jobless families, and implementing the recommendations made by the interim Economic Inclusion Advisory Committee.

Children at risk and their families face additional barriers in accessing early learning that can be swiftly addressed by the Australian Government.

Children at risk of abuse, harm or neglect, by definition are the most vulnerable group of children in Australia and deserve particular attention in the National Early Years Strategy, particularly when it comes to the barriers they face in accessing early learning.

Additional Child Care Subsidy (ACCS) Child Wellbeing is a critical part of the CCS Safety Net that is intended to support children at risk of harm or neglect, including those in out-of-home (foster) care. And while the program is well-intentioned, it has been plagued by implementation issues and has not been the subject of a comprehensive independent audit since being introduced. Unfortunately, this has meant too many children at risk continue to miss out on early learning and the protective factor that attending ECEC provides. Our recommendations here are informed by the challenges we experience in supporting over 5,000 children at risk of abuse or neglect each year.

The Australian Government can make immediate improvements to ACCS. Specifically:

- The 6-week Wellbeing Certificate length should be increased to 13 weeks to allow adequate time to establish a family's trust, obtain consent, make referrals and gather evidence.

²³ Poverty in Australia 2023.

²⁴ Anti-Poverty Week 2023, Still too much child poverty in the lucky country, briefing, <https://antipovertyweek.org.au/wp-content/uploads/2022/10/MEDIA-BRIEFING-20-years-on-Still-Too-Much-Child-Poverty-in-the-Lucky-Country-.pdf>

- Children in foster care for any period should be provided with determinations for 12 months of ACCS to reduce administrative barriers and support continuity of early learning in recognition of this continued vulnerability.

The Productivity Commission presents an important longer-term opportunity to rethink how children at risk access ECEC and the other services they need. The current system has too many barriers and complex administrative arrangements that slow down children's access to ECEC, NDIS and other services – often missing the window for early intervention altogether. These children should have the opportunity to access five days free ECEC from when they are subject to a child protection order until they start school – recognising that even if their care arrangements change, they remain at risk of experiencing poorer developmental outcomes.

Recommendation 5 – The Early Years Strategy must give special consideration to children at risk of harm and neglect, as the most vulnerable group of children in Australia.

Immediate action should be taken to increase the Additional Child Care Subsidy – Child Wellbeing Certificate length to at least 13 weeks and grant all children in out-of-home care (foster care) 12-month determinations (even if reunified with family) while longer term reform and financing options to support children at risk are considered by the Productivity Commission.

The Strategy is an opportunity to break down the siloed approach to support for children with disability or additional needs within ECEC settings.

The National Disability Insurance Scheme (NDIS) offers an important opportunity for children and families to be at the centre of decision making on capacity building supports that can be delivered in a variety of settings. However, the nature of individualised funding packages and the way that plans are developed and implemented has meant most children access individual therapies in clinical environments that are not necessarily connected to a child's everyday activities such as playgroup or early learning.

Goodstart has embarked on delivering an inclusive and integrated allied health model within our centres to better support children to make progress in settings where they spend time. This approach enables children to have their goals supported over the entire time that they access ECEC with shared goals developed for home and ECEC to ensure consistency. The model also supports families whose work commitments may otherwise be impacted, as the services are provided in centres. In this way we are working towards providing meaningful services to support children's progress and contributing to families'/carers' workforce participation.

Last year we invested around \$4 million in allied health professionals (47 headcount, 33.5 FTE), 15 Speech Pathologists, 10 Occupational Therapists, and 17 child and family practitioners that hold various social work, psychology and/or infant mental health qualifications to support this work. However, as a not-for-profit, we cannot afford to scale this model to meet the needs of all children across our network of 661 services, and other Australian Government programs like the Inclusion and Support Program do not fully cover the costs of inclusion and are not adequate to build the capability of the workforce.

The development of an Early Years Strategy is an opportunity for the Australian Government to map a pathway to an integrated early childhood system that embeds the support that children need where they spend their time, and better connects the NDIS with ECEC services and the Early Years Learning Framework. More effective joined up responses will not only ensure better outcomes for children, but optimise social spending.

Recommendation 6 – The Strategy should seek to break down silos between the Australian Government's disability and early years portfolios and this will require innovation. In the short term, investment should be targeted towards the development of new models that embed support at places like Goodstart, where children spend their time, and builds capacity across the entire ECEC sector.

Longer term the Productivity Commission and NDIS Review should consider financing options to provide appropriate support and early intervention for children with disability.

The Inclusion and Support Program (ISP) is an important part of the current CCS Safety Net and immediate changes are required while longer term structural reforms are completed.

The Inclusion and Support Program (ISP) is an important part of the current CCS Safety Net and provides another opportunity where the Australian Government could take immediate steps to improve outcomes for children likely to be vulnerable.

The Inclusion Support Program (ISP) provides funding to cover the wages cost for an additional (above ratio) educator in an early learning room, so that children with a disability, developmental delay, trauma-related behaviours or other inclusion support need can participate in early learning. This is intended to address the financial disincentives for enrolling children with higher support needs and supports both the child's early learning needs and parental workforce participation. However, the value of the ISP educator wage subsidy has lost value over time.

Since 2016, no indexation has been applied to the hourly rate for the wages subsidy, even though award wages for early childhood educators have increased 3.1% per annum (on average) during the same period. For most providers, the compounding impact of the growth in wages is 20% over the past six years. As we pay above-Award rates at Goodstart, the difference in the subsidy rate and our educator's rate is significant (at least \$4 per hour cost to Goodstart not covered by the ISP funding). Last year, Goodstart invested \$5.6M to meet the funding gaps for additional educators for children with additional needs.

Additionally, children may not be funded for all of the hours they attend with an ISP funding cap of 25hrs for individual children. In some services, this may actually limit the hours they can attend and/or impact the quality of their experience. This is out of sync with the CCS activity test where children can be eligible for up to 50 hours a week.

Recommendation 7 – While moving towards a more integrated system of support for children with disability and additional needs in ECEC over the longer term, the ISP subsidy rate should be immediately increased to \$35.00 an hour to match the actual cost of an educator (indexed annually at least at CPI, consistent with increases in the award rate), and the allocation should be increased to match the hours a child attends early learning and care.

5. Areas the Commonwealth can focus on to improve coordination and collaboration in developing policies for children and families

The Strategy is an opportunity to establish an ongoing national governance structure for the early childhood system.

Governance for the early childhood system in Australia can be improved.

The final strategy should make clear which federal Minister holds ultimate accountability for delivering on each aspect of the strategy, the timeframes for delivery and the governance and reporting arrangements that will support implementation. This may require consideration to be given to existing interagency budget and planning processes within the Australian Government, as well as interactions between line agencies with policy responsibilities and Services Australia. Governance structures should also include each state and territory government and broad representation from across the sector to drive joined-up implementation.

When considering the *Starting Better Guarantee*, the Centre for Policy Development recommends establishing a national Early Childhood Development Taskforce that can consider complex design issues around funding, governance, and accountability, suggest how best to connect systemic and local reforms, and coordinate the reform roadmap in partnership with services providers, businesses, unions and local communities. A similarly robust governance arrangement is needed here.

Recommendation 8 – The Strategy must be supported by well-defined governance arrangements that clearly attribute accountability for achieving outcomes to the relevant federal Minister.

6. Principles that should be included in the Strategy

Goodstart supports a concise set of principles that underpin the strategy and guide implementation and ongoing evaluation activity.

These should build from existing frameworks, including the National Vision for ECEC (under development) and include:

- **Child centred – in design and legislation – not just in ‘principle’.** We must ensure that a child’s access and entitlements don’t rely or reduce based on the actions of the

adults in their lives. We must include avenues to reflect the child's voice in the strategy.

- **Families as First Teachers.** We must respect the rights and voice of children and families. Families should be actively engaged at all levels of policy and service development, implementation and ongoing evaluation. The system must respond and listen to the aspirations families have for their children. We can learn from the health sector where consumer voice and advocacy mechanisms are well established.²⁵
- **Equity and inclusion.** Adopting progressive universalism, we need high quality universal base entitlements for all children and acknowledge that some children will need more. Policy and service development should actively seek to reduce disadvantage and have regard to diverse social, cultural and economic factors which influence child and family outcomes and experiences within early childhood settings.
- **The workforce is the strategy.** We need a long-term strategy and have to address wages and conditions – for ECEC but also other parts of the system – such as family support services. We should aim to achieve parity with schools and health systems and build long term capability and a strong sense of professional identity for professionals working with young children and families.
- **First Nations self-determination.** First Nations children, families and communities are empowered to pursue their economic, social and cultural development. We defer to advice from First Nations Leaders and support the Voice to Parliament. We also support moves to grow the community-controlled sector to support Aboriginal and Torres Strait Islander families & communities realise their ambitions for their children.
- **Universal means whomever you are and wherever you live.** We must ensure geographic and cultural barriers to early childhood services are removed. There should be demonstrated cultural competency in the planning and delivery of responsive early childhood policy and services, which reflects the diversity in the local community and actively seeks out the views of those who are underrepresented within the early childhood service system.
- **Transparency and accountability.** In line with the National Vision of ECEC under development, Governments must take a holistic approach as stewards of the early childhood system in partnership with the sector, shaping a nationally coherent system that is connected and responsive to community needs and outcomes for families, providers, and the workforce. Families and service providers must be able to identify and navigate oversight mechanisms when things go wrong.
- **Service continuity and coordination.** We will ensure services are delivered in a way that reduces the risk of children and families falling through gaps, reduces unnecessary duplication and complexity and promotes greater information sharing between all actors in the system.

²⁵ See for example, National Mental Health Plans.

Q8. Are there gaps in existing frameworks or other research or evidence that need to be considered for the development of the Strategy?

There are opportunities to leverage data held by Not-For-Profit service providers to both improve the evidence base but also to improve operational decision making.

The opportunity to utilise administrative data held by Not-For-Profit providers to improve the early years evidence base was first acknowledged by the Productivity Commission in 2016.

The Productivity Commission recognised then that monitoring outcomes, performance benchmarking and competition between schools and early learning settings 'are insufficient to achieve gains in education outcomes'; and that such activity must be complemented by the 'use of data and evidence to identify, and then apply, the most effective programs, policies and education practices' for child outcomes.

Goodstart recognises that data linkage between provider and government data collections has the capacity to establish new evidence which can identify what works to support and improve child outcomes. However, as an NFP, working with integrating authorities, government data custodians and universities - administrative and legislative barriers mean progress is slower than it should be.

Recommendation 9 - The Early Years Strategy should provide a framework to make the necessary legislative and system changes to facilitate data linkage with not-for-profit providers in ECEC, and other services. In this way, new and robust evidence generated by collaborative research across linked government and non-for-profit data collections is both feasible and timely.

The role of ECEC in achieving Reconciliation should be amplified in the final Strategy

Goodstart shares the Government's commitment to ensure that First Nations Aboriginal and Torres Strait Islander children have the right to thrive and to grow up healthy, supported by strong families and proud in culture. Every Goodstart centre is on a Reconciliation Journey with Narragunawali – Reconciliation Australia's platform for ECEC and schools.

We note the National Aboriginal and Torres Strait Islander Early Childhood Strategy and the National Agreement on Closing the Gap will remain critically important agendas that the final strategy should be aligned with. As outlined in the principles section above, we also strongly support the Voice to Parliament and moves to grow the community-controlled sector to support Aboriginal and Torres Strait Islander families & communities realise their ambitions for their children.

We recognise the role of early childhood in progressing Australia's Reconciliation journey and that building relationships with Aboriginal and Torres Strait Islander people, and knowledge and understanding of First Nations culture, will bring about positive change for children and whole communities. The role of ECEC in achieving Reconciliation should therefore also be explicit and amplified in the final Strategy, including specific investments

to build cultural competency, to implement the revised Early Years Learning Framework which includes a much stronger focus on First Nations culture and for services to engage with Narraguannawali to develop center level Reconciliation Action Plans

An ambitious early years strategy will require a turbo-charged workforce strategy

The delivery of quality ECEC requires a capable and valued professional workforce.²⁶ Yet the ECEC workforce in Australia is in crisis, with attrition and vacancy rates running much higher than they were pre-pandemic.

The last time there was significant national reform in early childhood led by the Council of Australian Governments, there was a funded 10-year workforce strategy informed by a detailed examination of workforce needs by the Productivity Commission.²⁷ This type of long-term investment and planning is needed again.

All Governments need to take steps to ensure ECEC educators, teachers and Centre Directors are valued and that wages and conditions for the ECEC workforce are improved. This is a point made repeatedly by the Prime Minister and other Ministers and is an issue that needs to be progressed by all Governments.²⁸ The 2021 strategy, *Shaping our Future*, was developed when the workforce issues were less pressing than they are now, and was not backed with significant new funding commitments from the Australian Government to the States to support the workforce.

To address the workforce crisis, the following actions are proposed:

1. Government to fund a substantial wage rise for early childhood educators, secured in either a new multi-employer agreement for those not covered by agreements, or by varying existing agreements.
2. Longer term, wages and conditions should be brought up to be comparable with rates payable in the rest of the education sector (i.e., schools) as part of the new policy and funding instruments flowing from the Productivity Commission Inquiry into ECEC.
3. Alongside addressing wages, the pipeline for new educators should be addressed by:
 - a. Free TAFE courses and additional funding for traineeships for educators.
 - b. Expanding the pool of early childhood teachers by:
 - i. Expanding places in ECT ITE courses at universities supported by scholarships.
 - ii. Developing accelerated pathways for experienced Diploma qualified educators to progress to ECT qualifications within 12 months, supported by funding arrangements and mentoring to cover up to 80 days of practicum teaching placements.

²⁶ OECD 2018 "TALIS: Building a High Quality Early Childhood Education and Care Workforce" Paris

²⁷ See the 2015 Productivity Commission Report <https://www.pc.gov.au/inquiries/completed/education-workforce-early-childhood/report>, and Government response: https://web.archive.org.au/awa/20120319023100mp_/http://www.deewr.gov.au/Earlychildhood/LatestNews/Documents/AGInterimResponsetoPCReport.pdf

²⁸ For example, see statements by the Prime Minister comments on 19/5/2022, 8/9/2022, 15/10/2022, 27/10/2022, 8/2/2023, 19/3/2023 and by other senior Ministers

- c. Including early childhood teachers and educators on migration priority lists and address unnecessary hurdles and delays on visa applications.
4. Longer term, enhance the professional recognition and support for early childhood teachers and educators with more emphasis on the importance of pedagogy and learning, building on the actions in the 2021 National ECEC Workforce Strategy.

Recommendation 10: The Early Years Strategy must be supported by a fully funded ECEC workforce strategy, including closing the pay gap with the school sector, expanding the pipeline of new teachers and educators, and improving professional recognition and support for educators and teachers.